

Tapping into Construction Financing

Multilateral Development Banks Offer Options

by *Export America*

Locating reliable financing for construction projects can be challenging for any organization. However, several multilateral banks finance construction projects, contract feasibility studies for projects, and are sources of information on construction opportunities in developing regions.

Be sure to contact the U.S. Commercial Service officers stationed at each of the banks listed below. For more information on the Commercial Service, see www.buyusa.gov.

AFRICAN DEVELOPMENT BANK (www.afdb.org)

Established in 1964, this bank helps fund infrastructure development projects in its member nations, with emphasis on transportation, utilities, oil and gas, agriculture, mining, and manufacturing.

ASIAN DEVELOPMENT BANK (www.adb.org)

This is a financial institution whose capital stock is owned by its 56 member countries. Headquartered in Manila, the ADB promotes the economic and social progress of its developing member countries in the Asia-Pacific region. The bank makes loans and equity investments, provides technical assistance grants for the preparation and execution of development projects and programs, and promotes investment of public and private capital for development purposes.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (www.ebrd.com)

The EBRD brings together 60 countries and two intergovernmental institutions as members. It began operations in April 1991, and provides loans, equity investments, guarantees, and technical assistance, which promote private business and entrepreneurial initiative, and foster the transition toward democracy and market-oriented economies. The EBRD finances projects in Central and Eastern Europe and the former Soviet Union. Most of its projects support the privatization of state-owned enterprises and the rebuilding of economic infrastructure. The minimum EBRD commitment for private-sector investment projects is approximately \$7 million, representing one-third of the minimum total project costs of \$20 million. The bank expects project sponsors to put up

one-third of the project costs in equity, and the final third is usually co-financed by international financial institutions or commercial banks.

INTER-AMERICAN DEVELOPMENT BANK (www.iadb.org)

The Inter-American Development Bank (known as the IDB) is the oldest and largest regional multilateral development institution. Established in 1959, the IDB has helped accelerate economic and social development in Latin America and the Caribbean. The bank, headquartered in Washington, D.C., has offices in each of its borrowing member countries, as well as in Paris and Tokyo. IDB operations cover the entire spectrum of economic and social development. In the past, IDB lending emphasized the productive sectors of agriculture and industry; the physical infrastructure sectors of energy and transportation; and the social sectors of environmental and public health, education, and urban development. Current lending priorities include poverty reduction and social equality, modernization and integration, and the environment.

THE WORLD BANK GROUP (www.worldbank.org)

The World Bank began operations in 1946. The mission of the bank is to reduce poverty and improve living standards by promoting sustainable growth and investment in people. The bank provides loans, technical assistance, and policy guidance to developing country members. A significant portion of its portfolio of projects is designed to develop national infrastructure in areas such as energy, the environment, telecommunications, water and wastewater, and land management.

ADDITIONAL RESOURCES

The Development Gateway (www.developmentgateway.org), currently a free service, includes project listings from a variety of funding agencies as well as "development" information aimed at government officials in developing countries.

Development Business (www.devbusiness.com), a subscription-based service, is the official listing of procurement opportunities through the United Nations and several development banks. ■